

APPROVED
BUDGET WORKSHOP
BEACH BUSINESS IMPROVEMENT DISTRICT ADVISORY COMMITTEE
SONESTA FORT LAUDERDALE BEACH HOTEL
HORIZON 2 AND 3 (PENTHOUSE)
999 N FORT LAUDERDALE BOULEVARD
FORT LAUDERDALE, FL 33304
May 22, 2019, 3:00 P.M.

MEMBERS	September 2018 – August, 2019				
	REGULAR MTGS		SPECIAL MTGS		
		Present	Absent	Present	Absent
Greater FTL Chamber of Commerce <u>Eduardo Fernandez, Chair</u>	P	4	2	2	0
Ritz Carlton Hotel Greg Cook, Vice Chair <u>Michael Chiusano, Alternate</u>	P	5	1	2	0
The Westin Ft Lauderdale Beach <i>Vacant</i>	A	0	6	0	2
Marriott Courtyard <u>Michael Fleming</u> David Hankins, Alternate	P	5	1	2	0
B Ocean Fort Lauderdale <u>Carlos Salazar</u> (arr. 3:14 p.m.)	P	4	2	1	1
The “W” Hotel, Capri Hotel, LLC Anna MacDiarmid Brigitte Bienvenu, Alternate	A	5	1	1	1
Beach Redevelopment Adv. Board <u>Thomas McManus</u>	P	5	1	1	1
Bahia Mar <u>Lisa Namour</u> Steven Green, Alternate	P	5	1	1	1
Conrad Hotel, CFLB Partnership LLC <u>Chintan Dadhich</u> Franklin Cavella, Alternate	P	5	1	2	0

Staff

Don Morris, Beach CRA Manager

Dan Barnett, BID Manager
Chijioke Ezekwe, CRA Project Manager
Lizeth DeTorres, Administrative Aide
Tania Bailey-Watson, CRA Budget Administrator
Tatiana Guerrier, Prototype, Inc.

Guests

Ina Lee, Resident

I. Call to Order / Roll Call / Quorum

The meeting was called to order at 3:31 p.m. At this time there are 8 appointed members to the Board, which means 5 would constitute a quorum.

It was noted there was a quorum.

II. Discussion and Recommendation BID Budget & Priorities – Don Morris, AICP, Beach CRA

Mr. Morris distributed copies of the FY2020 Proposed Budget sheet, mentioning that they do not have as much money to spend as in past years. Projected revenue is 95% (\$1,028,000) - with a 3% increase over last year.

Mr. Morris read from the budget sheet, answering questions as he proceeded:

- The Harry Newstreet item doubled because there was more work than originally anticipated
- 2020 is the last year for the CRA, so FY 2020 will be their last year
- Money was not put into South Beach Food & Wine – they have not asked for money yet
- The Airshow received \$200,000 from the Airport, so the BID may want to discuss whether it is needed for the BID to continue sponsoring it
- Total operating expenditures are \$864,989, leaving \$164,000

Food & Beverage program:

Mr. Dadhich commented that the app does not have full functionality: the food is still delivered at the lifeguard station, not to the exact chair. Chair Fernandez recalled that from the City structure, delivery to the lifeguard station was still required because that is the way the plan was set up. Mr. Morris did not think that should be required, but the service providers are under the impression they have to deliver to the lifeguard stations.

Chair Fernandez thought a three-year window should make the program more attractive to service providers from a cost standpoint; Mr. Morris said the hotels/restaurants can still sign up. Even though the Food & Beverage program is not germane to the budget discussion, Mr. Morris wanted to be sure that everyone was still on board with it.

Mr. Chiusano confirmed that the Ritz Carlton was not going to enter into any new programs until their renovation is complete (September 2019).

Ambassador Program:

Mr. Morris said every time he has been to the beach, he has not seen an Ambassador, and the idea was for them to be visible. Mr. Fleming thought they would have to quadruple the budget in order to get the desired impact since there are not enough Ambassadors to cover the beach area.

Chair Fernandez believed the results were “kind of okay” and those funds could go towards more valuable initiatives. Mr. Fleming said if they put all of the money into Spring Break month, it would make the program worthwhile. However, Chair Fernandez thought the City was doing a sufficient job with security.

Mr. Barnett commented that 75% of the reported interactions are with the homeless population. He thought the results were not in line with the investment.

Mr. Morris will speak to the manager and elect not to renew; funds will remain in the budget for the program to run its course until the end of the contract.

South Beach Food & Wine Festival:

Ina Lee, resident, reported that the Convention and Visitors Bureau (CVB) is going to support the Pride of the Americas, and said that this is the last contracted year with the CVB for the South Beach Food & Wine Festival (SOBEWFF). Chair Fernandez said the CVB has supported the Festival for \$200,000.

Mr. Dadhich supported the Festival, saying it brings attention to the area and is a national event. A similar festival in Fort Lauderdale would not have the same impact.

Chair Fernandez said they need to make sure that their financial support helps all the BID, not just a specific business. There was a brief discussion about BID funds being used by the Bonnet House for their future benefit. He also stated that the board needs to set parameters ahead of time for the amount of their sponsorship.

Several BID members thought the event did not have a big enough impact to warrant spending \$300,000.

It was suggested that the event would have a greater draw if they got some big name chefs to participate, and have the CRAVE event around the same time. Ms. Lee said that SOBEWFF will only come back if they get funding.

Chair Fernandez stated they could put a generic placeholder in the budget for some type of food and wine festival so there are no unrealistic expectations from event planners.

By consensus, the board agreed to keep \$85,000 as a placeholder for a food and wine festival. Chair Fernandez mentioned that the CVB typically doubles the BID's contributions.

Mr. Barnett reported he got an email from a representative from the Eazyo app. He said that the app is not the delivery part of the process – that is up to the hotels. The system is designed to deliver directly to a guest chair.

Ms. Lee stated that the signature event that the County wants the CVB to do is Riptide. The main location will be on the beach and the CVB is putting in \$800,000. They are planning on a wine and food event for 2020.

Pride:

Mr. Morris recalled they asked for \$100,000 for their marquee event this year and believed it would have a great impact for the beach.

Discussion ensued about the logistical problems at the last year's event, with the parade and a joint event at the Ritz Carlton overlapping. Mr. Barnett said that Tortuga is in April, and Pride is the week after. Tortuga takes up three weeks for loading/unloading, etc.

Chair Fernandez emphasized the scope of this year's Pride event – it is the "Super Bowl" of Pride events. In future years, the event will likely revert to its prior size.

The BID discussed the cost of the event (\$1.9 million), and how much the BID should contribute. Mr. Dadhich thought \$100,000 was too much, and Mr. Fleming said he heard they scaled back the event by a day and may not need as much money. It was pointed out that the application specified the event going from Wednesday through Sunday.

By Board consensus, it was agreed to put a placeholder of \$75,000 in the budget for it.

Ms. Namour said that beach access was a major issue for people near the event, and the park will be closed for a month. For her hotel, it is not beneficial to have one event right after another.

It was noted that the City knows the event will be happening, and the organizers have applied for their permit. Mr. Barnett pointed out Tortuga is not approved yet with Parks and Recreation, and they are requesting April 17-19.

Airshow:

Mr. Fleming was concerned that the Airshow is not promoted, and people are not aware of it. The only publicity was due to the Blue Angels being the final act.

Chair Fernandez said that the event thinks their marketing is on point, but businesses on the beach do not see it. He also stated they need clarity on the cost of City services; he was told the cost had decreased and wanted to see documentation.

Mr. Barnett reported he had asked them twice for financial information but did not receive anything yet. In addition, the \$200,000 from Fort Lauderdale Executive Airport (FXE) was to offset City services; and the BID agreement said the BID contribution was to offset City services. Chair Fernandez remarked that the BID was not aware the Airshow secured that money from FXE.

Chair Fernandez recalled that last year the BID had discussed decreasing their contribution to the Airshow, and suggested putting the money into different events.

Comments on the funding included the following:

- The maximum contribution should be \$25,000
- Their application request is for \$100,000 to support the cost for City services outside the event site
- Obtain invoices from the Fire and Police Departments to validate the costs
- Scale the contribution back to \$50,000 and stick to it
- The final act is unknown at this time
- The event had \$275,000 last year to cover City services
- The money should go to promote and market the event instead of it going to cover City services
- The Sonesta had to “beg” people to stay there for the Airshow
- If FXE funds the event, the BID should not
- The previous City Commission required that the BID and CRA should only pay for City services
 - The new Commission will probably be amenable to allowing the money to pay for promotion

Mr. Morris stated they have \$164,000 left to fund events after designating the placeholders to the Pride event and the food and wine festival. \$300,000 plus \$150,000 is still in the account for Capital Projects, and they have the ability to draw money from that if necessary.

In response to a question by Chair Fernandez, Mr. Barnett said he had spoken with Beach Majors three times over the past three weeks - they are waiting on a financial situation abroad. Mr. Salazar did not think they were coming back this year.

Harry Newstreet BID Assessment:

Chair Fernandez asked if the BID has to deal with this entity, or if they could get a different company which may provide a better price. Mr. Barnett remarked the City is doing more detailed audits.

Mr. Morris said they can bid it out to get three quotes and report back. The audit covers the BID and the CRA, but the \$15,000 is only for the BID portion of it.

Mr. Morris provided a history of the audits, noting they have to double-check accounts from previous years.

Friday Night Sound Waves:

Mr. Barnett pointed out that since they reduced the Friday Night Sound Waves to 16 weeks, the amount was adjusted from \$150,000 to \$85,900.

Holiday Lights:

Mr. Barnett said they need a vendor contract in June. The vendor who was in charge of putting the lights on the poles reported some type of electrical problem with the poles, resulting in more maintenance; they are not interested in continuing. He confirmed that the BID still wants to have the lights on the east side of SR A1A go through the BID; on the west side, there will be lights on the brand new palm trees. A decision needs to be made if they want to spend more to have more holiday lights for the first year of the park, or wait to upsize it next year.

Mr. Morris said the BRB will be contributing \$50,000 for additional lighting at the park. The BRB also discussed a “holiday village” – which would cost \$300,000 for 12 days. Mr. Barnett said it has been scaled down to \$125,000 for the first year (to buy items); second year, \$100,000; third year, \$75,000. Most big displays like this charge to get in, but the park cannot be fenced, so they cannot charge admission - there is no way to control attendance. Another concern is construction.

Ms. Namour said some of this types of villages run through Thanksgiving, but since there is no revenue, it would not be possible.

There was general consensus that 12 days was not enough time for the village kind of show, but the lights can be kept up for a longer period of time.

Since the CRA is going to contribute \$50,000, the BID should look into something in that park to showcase it. Chair Fernandez suggested looking at a technology or lighting company that can put together a package for lights at the park.

The grand opening of the beach renovation will be occurring around that time, and the ribbon cutting of the park will happen at the Holiday Lighting Ceremony.

Mr. Morris verified that the \$10,000 in the budget for the Holiday Lightscapes is just for maintenance.

Other:

Amounts are put in the budget each year even if it is not spent in order to get money in reserves.

Entercom Communications:

There is no request for this year.

Ms. Lee reminded the BID that they had discussed having a deadline for people to submit applications for funding. Additionally, she mentioned that she and Mr. Barnett are on the Special Events Committee for the City of Fort Lauderdale, and their report is going to the City Commission on June 18. That report will include a recommendation on the event ticket surcharge. She encouraged members to attend the City Commission meeting to express their support for the surcharge and to urge that revenue from it go into maintenance for CRA projects.

It is not known if the Riptide festival will stay on the beach. If the Entercom event grows, Ms. Lee said they are not planning to move away from the beach location.

Smart City Media - Kiosk:

In response to a question by Chair Fernandez, Mr. Ezekwe said the kiosks would be delivered in two months. Mr. Morris added that the foundations and conduit are in place.

Box Wraps:

2020 would be a good time to refresh the wraps, since so much has changed on the beach. Redoing them in 2019 was delayed due to all the other projects happening. The SR A1A improvements will not be done until next year, and so they can put a placeholder in for the box wraps for 2020.

Friday Night Sound Waves:

Mr. Barnett reported that Ari Glassman has been looking for more sponsors, but the timing is not prime since the event was scaled back to 16 weeks. She will probably increase the number of events and then pursue the sponsors again.

Mr. Morris said the event will be moved from the Hub to the new park, and Mr. Fleming suggested enhancing the event and extending the BID support by a few months. Mr. Barnett said they could take the concept and have it be a holiday theme for seven nights a week.

The non-committed amount of money for 2019 is now \$65,000.

Chair Fernandez asked if pets would be allowed in the park, and Mr. Morris will find out.

Other:

Mr. McManus suggested having some occasion for Super Bowl. Ms. Namour said that Live Nation looked at their property for a concert, but it is a risk for them since it is a semi-private property.

Chair Fernandez suggested asking Entercom to do something tied to Super Bowl week. Mr. Morris mentioned that Las Olas Boulevard is going to be curbside by the park, and the park is closed all the way to Almond Avenue. The street could be shut down with the removable bollards.

Mr. Barnett commented that Live Nation has a relationship history with the NFL, but a concert does not have to involve either of them. He would be happy to call Entercom.

III. Approval of FY20 Budget – Don Morris AICP, Beach CRA

Hearing no further business, the meeting adjourned at 4:37 p.m.

[Minutes prepared by J. Rubin, Prototype, Inc.]

Attachments:

BID FY2020 Proposed Budget document – Donald Morris